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## Transportation Committee

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### HB 2816

**Brief Description:** Increasing the rate of sales and use tax that may be imposed by a transportation benefit district.

**Sponsors:** Representatives Muri and Fey.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>Increases the maximum sales and use tax rate that can be imposed by a transportation benefit district after voter approval from 0.2 percent to 0.6 percent.</li></ul>
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**Hearing Date:** 2/4/16

**Staff:** David Munnecke (786-7315).

**Background:**

Transportation Benefit Districts, In General.

A transportation benefit district (TBD or district) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

When establishing the TBD's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction.

Revenue Sources.

A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval:

- a local sales and use tax of up to 0.2 percent;

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- a local annual vehicle fee of up to \$100 on vehicle license renewals, \$50 of which may be imposed without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization if on state routes and approval by the Washington State Transportation Commission if only affecting state routes.

A TBD may impose the following revenue measures without voter approval through a majority vote of the governing body:

- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to \$50 in local annual vehicle fees, in stages, if the TBD includes all the territory within the boundaries of the jurisdiction(s) establishing the TBD and certain other timing requirements are met.

**Summary of Bill:**

The maximum sales and use tax rate that can be imposed by a TBD after voter approval is increased from 0.2 percent to 0.6 percent.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2016.

**Effective Date:** The bill takes effect on July 1, 2016.